App F IX 4

Previous References 19 51-52 (CMP)

File No

Serial Nos 1,

Later References

2 M 765-4, 5
2 m 58-52-1, 2
2 m 58-52-3
113-53-1, 2

GENERAL AND REVENUE SECRETARIAT

130 CBA 60
2M12CBB62

ial Nos Three

P-37
L

Part B for Nov-51

SUBJECT

Obtaining financial accommodation for the Mysore city Municipality from the Mysore Bank on an overdraft basis

---

G O no L 8852-55 dated 17/22"
Sanctions the proposal
To
1) The Municipal Council, Mys
2) " Accountant General
3) " Collector S A D
4) " Manager Bank of Mys LTD Mysore

WD 015467—GPB—25 000—12 9 51

Dec 27/51

G R S APP F III—1]

GENERAL AND REVENUE SECRETARIAT

( )

NOTES File No

FILE HEADING

Obtaining financial accommodation for the Mysore City Municipality on an overdraft basis from the Bank of Mysore

FROM The Municipal Coercur Mysore City Municipality

No C 2 P R 37/51 52 Dated 8 7 51 Received

Diary No 2586/mls	Enclos	Spare copies	Serial No

BRIEF ABSTRACT OF LETTER

Forwards certain proposals with Regard to the above along with Resolution dated 19 6 51 of the municipal Council

NOTES AND ORDERS

Collection c M 16-51 (Sle 1952) Sanctioning the Budget Estimates of the Mysore City mally for the year 1951-52 as put-up Provision is made in the Budget. Vide discharging the entire amount of the Loan due for Repayment this year.

2) The Tarring of the Remaining 192 mls of Roads in Mysore City (38 mls only are now tarred) according to a plan prepared therefor is Considered an urgent necessity Vide in the

NOTES—First Sheet

WD 010865—GPB—20 000—2-8-50

~~Re Accommodation for the Mysore City~~

No 2586/M of 1951-52 | General and Revenue Secretariat

the interest of traffic and public convenience and also for conserving the recurring cost on maintenance But the problem of finance comes in the way of putting the scheme through. In order to resolve this difficulty, proposals are put up for securing finance at accommodation from the Bank of Mysore on an overdraft basis carrying interest at 3½ or 3¾ % on the actual debit balance, but guaranteeing the Bank for repayment of both the principal and interest the borrowing of money by a City municipal Council is permissible under Sec 54 of the Mysore City Municipalities Act, 1933

3) Before Govt could consider the proposal, the fulfilment of the following conditions seems necessary.—

(I) A comprehensive programme of laying Roads with Regular estimates prepared therefor,

(II) An offer by the Bank to give the accommodation and the conditions for giving such an accommodation as it is [illegible] to know that the information furnished by the Bank Manager in regard to the requirements are conformal

23061/II

Bank accommodation for the Legation

[illegible] to appeal [illegible]
[illegible] the [illegible]

(III) [illegible] personal [illegible] the [illegible]
[illegible] [illegible] [illegible] [illegible]
[illegible] [illegible]

(IV) a) [illegible] [illegible] [illegible]
necessary [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible]
Mysore [illegible] [illegible] [illegible] [illegible]
1939 [illegible] [illegible] [illegible] [illegible]
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b) [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible]
[

-k accommodation for the Mysore city Municipality

B) The proposal is to take a loan of 5 lakhs by an overdraft arrangement over a period of 10 years. The amount is proposed to be utilised on the laying of roads whether an Estimate has been prepared for the laying and if so the cost involved has to be ascertained. The period within which the roads is proposed to be completed and whether the Bank will agree to the overdraft for such a long period are matters to be examined. The Commissioner has stated that a provision of Rs one lakh could be made towards repayment of principal and interest. It has to be clarified how exactly this additional provision could be made for the due discharge of the loan. The overdraft arrangement is also proposed to be utilised for Revenue yielding schemes. What exactly are the schemes and whether the intention is to consider them when necessary annexes may be duly made clear. The need for the overdraft and amount of Rs 5 lakhs may also be duly examined by the Controller Secretariat Finance dept.

3895/-C

(L. Govt Secy)

For Govt Secy

5360
17/8/1
18/8
17/8

2586 Inc.

Bank Accommodation for the Municipality

9) The above note of the Finance Dept is for perusal from the Collector of Customs further particulars has been sought and meeting is also simultaneously the need for placing the proposal for an overdraft ceiling with further by the Controller, State Accounts Dept

10) It is for orders whether the particulars may first be obtained from the Collector Customs Bombay City Treasurer Director of the Reserve Bank of India Bombay for his opinion

Sd/- 22/8/51

11) Further information has to be called for, as observed by the Financial Secretary

Secy 22/8

21/8/51

12) JCS 22/8

13) Draft letter to the Municipal Commissioner, Bombay city is put up for approval

Sd/- 23/8/51

Secy 22/8

(4) 23/8/51

To The Municipal Commissioner, Bombay

1) Issue

2) 5314/57-52 dt 23 8 51

Calls for additional information. JCS 23/8

Secys Instructions

Put up this letter to the Collector with copy of the file for copy ready for delivery to him when he goes over here at 12 noon today

Sd/- 23/8/51

Sd/- A 23/8

5358 23/8

4139/ml

Basic accommodation for the Nepean city Municipals

From

The Municipal Council, Nepean

No C2 P-R 37/51-52 of 27 9 51

Forwarding the information called for

(6) The Council's Reply is for perusal

(7) The estimates for having an for Rs 3,50 000/- the plans to have been prepared and the work be expected to be completed in two years The Scheme is based to annual maintenance cost, this enabling the Building grant of Rs 1,00,000/ for adjustment of the overdraft

(8) The arrangement as given from the Council's letter as subject to Confirmation by the Manager after approval of the Directors

(9) The file was in Reference to the Municipal Engg for his perusal Remarks with Reference to para 8 above

Engg 3/10/51

Engg & SE) 3/10/51

Asst Secy 3/10

2. DE 3/10

Secy

No 7295 Dat 6/10/51 I & C DEPTT

4137

Obtaining financial accommodation for the city's repairs on an overdraft basis from the bank of Baroda

21) It does not require much acumen to gather that the proposed loan is for the discharge of the loan now due for repayment As regards the sinking etc they could have been spread over the five year period at the rate of Rs 1 lakh a year if that was all the urgency

22) The loan may be sanctioned, govt guarantee being given and commission charged at ½% as a special case

23) The provision for repayment should be the first charge on the Municipal Revenues The Budget of the municipality should be so framed that it should rely on its resources alone Even the usual govt grant may be uncertain in the coming years So the Municipality should cut down its expenditure and increase its revenue by all the means in its power

A

24 Sd 12/10/57

Hon LSG ?A
& Hon F&D
Chief & Hon

I agree

12/10

26 Rc 17/10/57

27 Sd 14/11/57

28 This is a Commercial matter (Under entry no 16 of the Second Schedule to Govt Business Rules) Matter is urgent, & Finance Dept has concurred, orders may issue immediately & the case disposed of by circulation afterwards

29) Chief Minister 14/XI/57 16/11/57

Office of the Minister for Local Government No 8427 Date 13/10/57

C T TR FOR HI I JTI S No 30/5 Date 22-10-57

OFFICE OF THE CHIEF MINISTER No 7376 Date 15/10/57

16/11

obtaining financial accommodation for the City Municipality on an overdraft basis from the Bank of Mysore
₹ 4460/-

30) Off Go and a draft letter to the Municipal Commr, Mysore city are put up for approval

Sec'y dept) 17/11/57

Issue today

17/XI

17/11

The Finance Branch for communication of Go

SNR 19/11/57

Copies

Cl Cell 204093
Cl Sy has agreed
27/20/11
Vkl 20/11

Issue 21/11/57

Hw 20/11

21-11

To

The Municipal Commr Mysore city (Thro the Pdy)

The Accl General
The Controller S & D } (Thro the Financial Dept)

The Manager Bank of Mysore

L 8852-55/CN 76-57-3

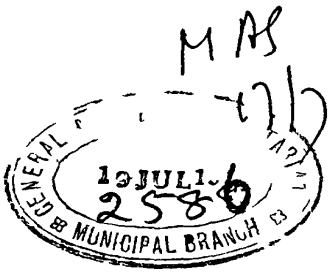
Letter to the Mc commr Mysore (Thro Pdy)
L 8855/CN 76-57-3
copy to the controller

No Encls 2 Ca P R 37/51 52

CITY MUNICIPAL COUNCIL
Mysore Dated 8-7-1951

FROM

THE MUNICIPAL COMMISSIONER
CITY MUNICIPAL COUNCIL
MYSORE



The Secretary to Government,
L S G Department, Bangalore
(Through the President)

Sir,

Subject Obtaining financial accommodation for the Mysore City Municipality to the extent of Rs 5 lakhs on an overdraft basis from the Bank of Mysore Ltd

I write to state that the total amount of loans to be paid by the Mysore City Municipality amount to Rs 8,21,259 Of this a sum of Rs 5,09,300 is due for discharge during the current year Provisi has been made in the Budget Estimates of the Mysore City Municipality for the year 1951-52 for repayment of the entire sum due for repayment this year The repayment of this has been approved by Government in their order No L 2749-52/CM 16-51-2 dated 27-6-1951

Provision will be made in the Budget Estimates for the next and subsequent years for the repayment of the remaining loans which aggregate to Rs 3,11,959 as and when the loans fall due for repayment

The state of several roads in Mysore City is not very satisfactory Of the total length of 230 miles, 38 are tarred roads, 46 are metalled roads and 146 are gravelled roads Heavy maintenance charges have to be incurred for the maintenance of metalled and gravelled roads which get badly scoured out during the rainy season Moreover, the roads have to be repaired several times during the year on account of special festivities and functions It seems desirable to tar all roads in the city both in the interests of traffic and convenience of the citizens and also as a long run measure of economy in the maintenance of the roads Provision that can be made in the budget of the Mysore City Municipality from normal revenues for the purpose of tarring roads cannot be substantial

Taking all these factors into consideration the Municipal Council wished, at the time of the scrutiny of the Budget estimates for the year 1951-52, that the possibility of renewing the loans which have to be repaid during the current year, or in the alternative, of raising a fresh loan may be examined and proposals put up for the consideration of the Council The two alternatives were accordingly examined It was found that it was not feasible or desirable to renew the old loans which are due for discharge this year as the bulk of the loans are in the name of banks and private parties ~~and perhaps on payment of commission for underwriting~~, and it is not practicable to approach them all for renewal of the loans The question of raising a fresh loan ~~was~~ was discussed by the Municipal Commissioner informally with the Manager of the Bank of Mysore Ltd , Bangalore As a result of the discussions it was found that instead of floating a loan, it would be more advantageous to secure financial accommodation from the Bank of Mysore Ltd , on an overdraft basis at a reasonable rate of interest, interest being payable only on the actual debit balances This arrangement has a number of advantages as against raising funds by floating a loan The floating of a loan would involve expenditure on advertisements in printing loan bonds, on correspondence, on staff, and perhaps on payment of Commission for underwriting It would also mean maintenance of elaborate accounts Interest would have to be paid on the whole of the loan subscribed, while on account of scarcity of materials and machinery, it might not be possible to utilise the funds borrowed quickly In the overdraft system these disadvantages do not arise No intial expenditure is necessary Interest would be minimised as only the money required at any given time would be taken from the Bank and interest would be payable only on the actual debit balance, while, at the same time, there is the assurance of funds being available

for a programme of work which can be planned in advance a long range basis It was informally ascertained from the Manager, Bank of Mysore Ltd , that subject to the approval of the Directors of the Bank it would be possible for the Bank of Mysore to advance money to the Mysore City Municipality on an overdraft basis to the extent of Rs 5 lakhs at a rate of interest ranging from 3½ to 3¾%, if the Government guarantee the repayment of capital and interest

A proposal to obtain financial accommodation from the Bank of Mysore to the extent of Rs 5 lakhs on an overdraft basis was placed before the Managing Committee A copy of the note of the Municipal Commissioner placed before the Managing Committee embodying the proposals is enclosed herewith The Managing Committee recommended the proposals to the Municipal Council for their approval The Council discussed the subject at a Special Meeting held on 22-6-1951 and approved of the recommendations of the Managing Committee Copies of the resolution of the Council and Managing Committee are enclosed herewith

The requests made in the resolutions referred to are as follows

(1) that the Bank of Mysore be requested to give financial accommodation to the Mysore City Municipal Council to the extent of Rs 5 lakhs for a period of ten years on an overdraft basis at a rate or interest not exceeding 3½% payable on the actual debit balance,

(2) that the Government of Mysore be requested to guarantee the re-payment of the principal and payment of interest without charging any commission or fee for the guarantee,

(3) that the overdraft loan be used mainly for financing a scheme of tarring roads in the city, and may also be used for revenue yielding schemes which the Council might decide to finance from this source

(4) that provision be made in the Budget every year to the extent of not less than Rs 1 lakh for repayment of principal and payment of interest on account of this loan

(5) that the preliminary arrangements and safeguards suggested in the concluding part of the Municipal Commissioner's note be approved

The bulk of the loans which are due for discharge this year bear interest at 3½% p a Considering the present conditions of the money market and also the fact that interest would be payable only on the actual debit balance, the rate of 3½% at which the Municipal Council wish to borrow money is regarded as reasonable

The Council requests the Government to guarantee the repayment of the principal and payment of interest without charging any commission or fee therefor It may be stated in this connection that the loans raised in the past by the Municipal Council have been guaranteed by Government without charging any commission or fee for the guarantee The Council request that the same concession may be extended to them now also

As regards the purpose for which the funds are proposed to be utilised, the Council thought that while the money may be used mainly for financing the tarring of roads in the City, it may also be used, if the Council so decides, on any revenue yielding scheme

As regards repayment it may be stated that several steps have been taken by the Municipal Council to augment the financial resources of the Municipality The basis for the levy of mohatarfa tax has been raised by 25% Market revenue has been increased by almost doubling the daily fee rates and the Council have recently sanctioned proposals for stepping up the rents from shops in the several municipal markets so as to get an additional revenue

of about Rs 50,000/- per annum A proposal to levy taxes on shops and places of business has been approved by the Council and is pending final sanction of Government Steps have also been taken by the Council to increase revenue from the Sewage Farm and various other sources As a result of these, the Municipal Council are confident that they will be in a position to ~~xx~~ make adequate provision in the budget every year so as to clear the over-draft within a period of 10 years They have proposed to set apart a sum of Rs 1 lakh every year in the budget for this purpose so that even before the end of 10 years it would be possible to clear the overdraft together with interest thereon The financial position of the Municipality is capable of admitting not only this provision but also provision for repayment of the remaining loans and also provision for repayment of loans which the Municipality has asked from Government in letter No C2P27/51-52 dated 2-5-1951 for improvement of water supply

The preliminary arrangements and safeguards referred to in the concluding para of the resolution are designed to ensure that the purpose for which the money is being borrowed will be utilised systematically and with maximum advantage

Considering the need for improving the roads in the city and the economies that will result from reducing frequent repair charges on metalled and gravelled roads, and the improving financial position of the Municipality, the Council hope that Government will be pleased to sanction the proposals and agree to guarantee the repayment of the principal and the payment of interest as requested by the Municipal Council I request that early orders of Government may kindly be obtained and communicated in the matter

Yours faithfully,
Municipal Commissioner

Forwarded with compliments
T Narasimha Iyengar
President

MYSORE CITY MUNICIPALITY

Proceedings of the Special Meeting of the Managing Committee held on Saturday the 19-6-1951 at 10 a m in the Municipal Offices

---

87 Proposal to obtain Rs 5 lakhs from the Mysore Bank for tarring roads

The note of the Municipal Commissioner dated 9-6-1951 was considered The Managing Committee is in general agreement with the proposals made in the note and recommends to the Council that

(1) The Bank of Mysore be requested to give financial accommodation to the Mysore City Municipal Council to the extent of Rs 5 lakhs for a period of 10 years on overdraft basis at a rate of interest not exceeding 3½% on the actual debit balance,

(2) The Government of Mysore be requestdd to guarantee the payment of the principal and payment of interest, without charging any commission or fee for the guarantee,

(3) The overdraft loan be used mainly for financing a schems of tarring roads in the City and may also be used for revenue yielding schemes which the Council might decide to finance from this source

(4) Provision be made in the Budget every year to the extent of not less than Rs 1 lakh for repayment of principal and payment of interest, on account of this loan

(5) The preliminary arrangements and safeguards suggested in the concluding part of the Municipal Commissioner's note be approved

Sd T Narasimha Iyengar,
President

--

Proceedings of the Special Meeting of the Mysore City Municipal Council held on Friday the 22nd June 1951 at 4 p m in the Municipal Offices

---

Subject No 228/A Special Managing Committee Resolution No 87/ dated 9-6-1951 recommending for approval the proposals of the Municipal Commissioner regarding obtaining a sum of Rs 5 lakhs from Mysore Bank on an overdraft basis

The resolutions of the Managing Committee approved

Sd T Narasimha Iyengar,
President

Copy

Municipal Commissioner.

snr

CONFIDENTIAL

City Municipality,
Mysore, 9th June 51

Proposal to obtain Rs 5/- lakhs from the Mysore Bank for tarring roads

The condition of many roads in Mysore City is unsatisfactory In order to improve the condition and also to minimise expenditure on frequent repairs, particularly after each rain when several of the roads get scoured, it would be worthwhile for the Municipality to take up a scheme of tarring the roads in the city according to a definite programme During the Budget meetings of the Managing Committee and the Municipal Council a view was expressed that if possible the loans which fall due for discharge this year may be got - renewed and that the money may be utilised for tarring the roads, or, in the alternative, arrangements may be made to float a fresh loan for the purpose

When I visited Bangalore last week, I explored the possibilities of floating a loan or making other arrangements for financing a scheme of tarring roads in the city I had discussions with the Manager of the Bank of Mysore and the Financial Secretary to Government I explained to them the present financial position of the Municipality and the steps that have been taken to augument revenue and informed them that provision in the Budget has been made for the repayment of the loans to the extent of Rs 486969-9-6 which fall due for payment this year The fact that provision has been made in the Budget for repayment of the entire loans due for discharge this year had a marked psychological effect and put them in a very favourable mood to consider the other proposals I had to make

After a detailed discussion of ways and means of financing a scheme of road improvement in the city, the Manager of the Bank of Mysore said that it may be possible,

possible, subject to the approval of the Board of Directors of the Bank, to place at the disposal of the Mysore City Municipality funds to the extent of Rs 5 lakhs on an overdraft or cash credit basis I requested that the interest to be charged should not exceed 3½% per annum He said that it may be possible to lend money ~~xtx3½%xpxxx

Sri B N Gupta who is one of the Director's of the Bank, happened to be present with the Manager, Bank of Mysore, when I discussed the proposition with him His attitude towards the proposition seemed favourable

I have discussed the subject with Dharmaprakasha Sri L S Venkaji Rao, who is also one of the Directors of the Bank He was also favourably impressed with the proposal

The Financial Secretary to the Government of Mysore, with whom I discussed the subject, was of the view that the proposal to secure financial accommodation from the Bank of Mysore on an overdraft basis is sound and that if the Municipality has made arrangements for repayment of the loans due for discharge this year and makes regular provision for discharging the overdraft loan account every year on the Budget both for repayment of the capital and payment of interest, the Government would consider sympathetically the request to accord the guarantee required by the Bank of Mysore He stated, however, that Government might ask for the payment of a commission from ½ to 1% for giving the guarantee I represented that no such commission seemed to have been paid when the Municipal Debentures floated in 1939 were guaranteed by the Government and that the Council would make formal representations to the Government to waive the commission

The Manager of the Mysore Bank suggested that the Municipal Council might send a formal proposition on the subject after about a month, when he expects the financial position of the Bank to be a little easier

If the Council decide to take advantage of the financial accommodation which the Bank is likely to give,it is essential to make sure of the following factors -

1 The money should be utilized only for the purpose for which it is borrowed

2 A well considered comprehensive programme of tarring roads should be prepared and approved at the outset

3 Competent sanction to estimates should be obtained well in time

4 The necessary staff with requisite training and experience should be secured

5 Road rollers, heat-masters and mixers and a stone crushing machine should be secured

6 Provisions should be made in the Budget every year with a view to clearing the overdraft with interest within a period of ten ~~years~~ years

7 In operating the overdraft account care should be taken to keep the debit balance as low as possible in order to minimise payment of interest

I request that the Note may be placed before the Managing Committee for their consideration

Sd C Narasimha Moorty

Municipal Commissioner
9-6-51

Sd T Narasimha Iyengar
President

Copy

C Narasimha Moorty
Municipal Commissioner
9-6-51

PSK

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(TNEPAL AND REVENUE

SECRETARIAT

(Continuation sheet No.)

No L S 314/57-52
Dy 23 8 57

To

The Municipal Commissioner
Mysore city Municipality
(through the Chairman)

Subject Obtaining of financial accommodation for the Mysore city Municipality to the extent of Rs 5 lakhs on an overdraft basis from the Bank of Mysore Ltd

—

Sir,

With reference to your letter No C2 P R 37/51-52 dated 8.7 57 on the above subject, I am directed to state that the accommodation from the Bank of Baroda mainly for financing the laying of roads in the city area of the Municipality, for which estimates on Revenue yielding schemes I am to request whether an estimate has been prepared for the laying and if so at what cost & the period within which the work is proposed to

TD 0108 5—(PL—2 0 0—18 7)

The Committee and the Bank will agree to the overdraft for such a long period may also be duly sanctioned

It has been stated on your letter that ~~a provision of Rs 1 lakh can be made each year~~ it has been proposed to set apart a sum of Rs 1 lakh every year as the budget towards repayment of principal and interest. How exactly this additional provision could be made for the due discharge of the loan requires to be more clearly explained. The overdraft arrangement as is also proposed to be continued for revenue yielding schemes information as what ~~exactly~~ those schemes are and whether the calculation is to consider them as and when necessity arises may also be furnished.

Yours faithfully

KSG 23/8

23/8/81

No C2 PR 37/51-52
Encls One

CITY MUNICIPAL COUNCIL

Mysore Dated 27th September 1951

From

CR 76-57-1

THE MUNICIPAL COMMISSIONER
CITY MUNICIPAL COUNCIL
MYSORE

To

The Secretary to Government,
L S G Department,
Bangalore

(Through the President)

Sir

Subject - Obtaining financial accommodation for the City Municipality Mysore to the extent of Rs 5 lakhs on an overdraft basis from the Bank of Mysore Ltd

---

With reference to your letter No 5314/51-52 dated 23-8-1951 requesting to furnish certain particulars on the above subject, I write to state as follows -

JCB 28/9

Question 1 Whether an estimate has been prepared for the tarring of roads and if so, at what cost and the period within which the work is proposed to be completed	Estimates have been prepared aggregating Rs 3 lakhs and 56 thousand (Rs 3,56,000/-) for tarring the roads and these works can be expected to be completed in two years
Question 2 Whether the Bank will agree to the overdraft for such a long period	The probable period of repayment of the overdraft was informaly discussed with the Manager, Bank of Mysore, Ltd Bangalore and it was ascertained that subject to the approval of the Directors of the Bank it would be possible for the Bank to advance money to the Municipality on an overdraft basis to the extent of Rs 5 lakhs at a rate of interest in the neighbourhood of 3½% on the actual debit balance A reference has also been made to the Manager, Bank of Mysore for confirmation in the matter and a final reply will be sent after its receipt Copy of the letter dated received from the *
Qu It has been proposed to set apart a sum of Rs 1 lakh every year in the budget towards repayment of the principal and interest How exactly this additional provision could be made for the discharge of the loan?	If all the important roads in the city are tarred, a major portion of the amounts now being provided towards the tarring and metalling of roads under D1-Original works, and repairing the tar roads

under D2-Repairs would become available for meeting the liability The annual provision for the above items aggregate Rs 1,50,000/- and out of this it is proposed to set aside Rs 1,00,000/- towards the loan It has been explained already in detail that the resources of the Municipality are increasing year to year by additional taxation It will therefore be possible to make provision for repayment of the loan with interest without encroaching upon the normal requirements and activities But it has to be stressed that the proposal is not to obtain a loan but only a margin for operation The debit balance at any given point of time is likely to be well below Rs 5 lakhs

The following are the main schemes which are proposed to be financed from out of the contemplated accommodation -

1	Tarring of roads	Rs 3,56,000
2	Construction of shops	Rs 50,000
3	Construction of model houses	Rs 94,000
	Total	Rs 5,00,000

The first item though not designed to be a revenue yielding measure will secure a considerable savings in expenditure on maintenance The other items are revenu yielding measures, the incore from which will be helpfu in liquidating of the overdraft

Although accommodation is asked to the extent of Rs 5 lakhs the overdraft will be kept to the lowest possible figures Our normal cash balance in the Bank of M has been Rs 3,00,000 and after setting aside Rs 20,000/- being the statutory balance, there is an operable cash balance of Rs 2,80,000 It is only when this has to be exceeded that the overdraft has to be operated and principal and interest thereon paid By spreading the expenditure over a long period, it will be possible to keep the overdraft at a low figure

In these circumstances, I request that immediate orders of Government may kindly be obtained to the proposal of the Municipal Council to guarantee the payment of the principal and interest without charging any commission or fee for the guarantee It may perhaps be added that the outlines of the proposal have been discussed by my predecessor with the Financial Secretary to Government

Yours faithfully,

S Jayaraman

Municipal Commissioner

Forwarded with compliments

T Narasimha Iyengar

President

G I & S App F G 3]

GENERAL AND REVENUE
SECRETARIAT

(~~Continuation sheet draft form~~)

10 Copies

W D0108/5—GPB—25 000—18 7 50

A 8852-55/CM 76-51-2/17 11 51

proceedings of the Govt of Mysore

Read

Correspondence ending with letter no C2 P R 37/51-52 dated 27 9 51 from the municipal Commr, Mysore city Municipality forwarding proposals for obtaining financial accommodation for the Mysore city municipality to the extent of Rs 5 lacks on an overdraft basis from the Bank of Mysore to enable the financing of certain urgent works which the municipal Council proposes to undertake as resolved by the municipal council at its meeting held on 22-6-51,

Order no A 8852-55/
C R 76-51-2

The Mysore city municipal Council has under consideration an elaborate programme of laying the Roads and lid etc in order to regularise the Expenditure on maintenance which have to be reported

~~Special repairs~~
~~ral~~ works during the year
~~account of~~ Special festive &c.
and functions provision shall
can be made in the budget
of the municipality for the
purpose from normal revenues
Consent to the Proposal. The
question of Bowring Financial
accommodation from the Bank
of Mysore, Ltd on an overdraft
basis, at a reasonable rate of
interest payable only on the actual
debit balances which would make
funds available for a programme
of work planned shall can be planned
~~in advance~~ ahead on a Cash Range basis. It
was resolved ~~to~~ that the Commissioner reports
~~ascertained from the Manager Bank~~ such financial accommodation (At this stage) can be arranged,
~~Mysore that~~ subject to the approval of the Govt guarantee the repayment of the loan
~~Resolve~~ Director it would be possible
for the Bank to advance money to the Municipality on an overdraft basis
to the tune of Rs 5 lakhs at a rate
of interest ranging from 3½% to 3¾%,
of the Govt guarantee the Repayment
of ~~interest~~ capital and interest

The Mysore city municipal Council
which considered the Subject at its
meeting held on 22-6-51 has resolved to the following effect.-
as follows -

(1) That the Bank of Mysore

)R S App F G 3]

GENERAL AND REVENUE SECRETARIAT

(*Continuation sheet draft form*)

be requested to free
a additional accommodation to the
city municipal Council to
the extent of Rs 5 lakhs for
a period of ten years on an
overdraft terms at a Rate of
interest not exceeding 3½ %
payable on the actual debit
balance,

(2) that the Govt of Mysore
be requested to guarantee
the repayment of the principal
and interest without charges
any commission or fee for
the guarantee,

(3) that the overdraft loan
be used mainly for financing
a Scheme of laying Roads
in the city, and may also
be used for Revenue yielding
Schemes which the Council
might decide to finance from
this Source;

(4) that provision be made
in the budget every year
to the extent of not less
than Rs 1 Lakh for Repayment
of principal and payment of
interest on account of this
loan

W D0108.../—GPB—25 000—18 7 58

The proposal of the municipal Council is Sanctioned

Govt Stand guarantee for the Repayment of the principal and payment of interest in respect of this overdraft arrangement subject to the condition that a Commission on @ 1/2 % per annum will be charged thereon as a Special Case for this guarantee

RB 17/11

17/11 hag L S G Secy 17/11/51

To

1) The Municipal Commr Kapurthala (Through the post)

2) " Accountant General } Through S D
3) " Collector S A D }

4) " Manager Bank of India Ltd Bhatinda

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

READ:-

Correspondence ending with letter No.C2.P.R 37/51-52 dated 27th September 1951 from the Municipal Commissioner, Mysore City Municipality forwarding proposals for obtaining financial accommodation for the Mysore City Municipality to the extent of Rupees five lakhs on an overdraft basis from the Bank of Mysore to enable the financing of certain urgent works which the Municipal Council proposes to undertake as resolved by the Municipal Council at its meeting held on 22nd June 1951.

ORDER NO.L.6852-55/C2.76-51-2

Dated, Bangalore, the 17th November 1951

The Mysore City Municipal Council has under consideration an elaborate programme of tarring the roads in the city in order to minimise the expenditure on their maintenance and on special repairs several times during the year during festivities and functions. Provision that can be made in the budget of the Municipality for the purpose from normal revenues cannot be substantial. The question of securing financial accommodation from the Bank of Mysore, Ltd., on an overdraft basis, at a reasonable rate of interest payable only on the actual debit balances which would make funds available for a programme of work that can be planned ahead on a long range basis was mooted. The Municipal Commissioner reports that such financial accommodation can be arranged by the Mysore Bank, subject to the approval of Directors if Government guarantee the repayment of the loan.

The Mysore City Municipal Council which considered the subject at its meeting held on 22nd June 1951 has resolved to the following effect

i) that the Bank of Mysore be requested to give financial accommodation to the Mysore City Municipal Council to the extent of Rupees Five lakhs for a period of ten years on an overdraft basis at a rate of interest not exceeding 3½% payable on the actual debit balance;

ii) that the Government of Mysore be requested to guarantee the re-payment of the principal and payment of interest without charging any

charging of any commission or fee for the guarantee.

iii) that the overdraft loan be used mainly for financing a scheme of tarring roads in the city, and may also be used for revenue yielding schemes which the council might decide to finance from this source; and

iv) that provision be made in the budget every year to the extent of not less than Rupees one lakh for repayment of principal and payment of interest on account of this loan;

The proposals of the Municipal Council is sanctioned.

Government stand guarantee for the repayment of the principal and payment of interest in respect of this overdraft arrangement subject to the condition that a commission at 1/2% (half percent) per annum on the total amount guaranteed Viz. Rupees five lakhs will be charged as a special case for the guarantee.

Hanumanthappa 17/11

For Secretary to Government,
L.S.G. Department.

To

The Municipal Commissioner, Mysore City Municipality thro' the President.
" Accountant General-Mysore, Bangalore. | through the Financial
" Controller, State Accounts Department | Department.
" Manager, Bank of Mysore, Ltd., Bangalore.

kmr-10/17.11.1951

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

READ:-

Correspondence ending with letter No.C2.P.R.37/51-52 dated 27th September 1951 from the Municipal Commissioner, Mysore City Municipality forwarding proposals for obtaining financial accommodation for the Mysore City Municipality to the extent of Rupees five lakhs on an overdraft basis from the Bank of Mysore to enable the financing of certain urgent works which the Municipal Council proposes to undertake as resolved by the Municipal Council at its meeting held on 22nd June 1951.

ORDER NO.L.6852-55/CM.76-51-2

Dated, Bangalore, the 17th/22nd November 1951

The Mysore City Municipal Council has under consideration an elaborate programme of tarring the roads in the city in order to minimise the expenditure on their maintenance and on special repairs several time during the year during festivities and functions. Provision that can be made in the budget of the Municipality for the purpose from normal revenues cannot be substantial. The question of securing financial accommodation from the Bank of Mysore, Ltd , on an overdraft basis, a a reasonable rate of interest payable only on the actual debit balance which would make funds available for a programme of work that can be planned ahead on a long range basis was mooted. The Municipal Commissioner reports that such financial accommodation can be arranged by the Mysore Bank, subject to the approval of Directors if Government guarantee the repayment of the loan. 37/52

The Mysore City Municipal Council which considered the subject its meeting held on 22nd June 1951 has resolved to the following effect

i) that the Bank of Mysore be requested to give financial accommodation to the Mysore City Municipal Council to the extent of Rupees 5 lakhs for a period of ten years on an overdraft basis at a rate of not exceeding 3½% payable on the actual debit balance;

ii) that the Government of Mysore be requested to guarantee the re-payment of the principal and payment of interest without charg

charging of any commission or fee for the guarantee.

iii) that the overdraft loan be used mainly for financing a scheme of tarring roads in the city, and may also be used for reverue yielding schemes which the council might decide to finance from this source; and

iv) that provision be made in the budget every year to the extent of not less than Rupees one lakh for repayment of principal and payment of interest on account of this loan;

The proposals of the Municipal Council is sanctioned.

Government stand guarantee for the repayment of the principal and payment of interest in respect of this overdraft arrangement subject to the condition that a commission at 1/2% (half percent) per annum on the total amount guaranteed Viz. Rupees five lakhs will be charged as a special case for the guarantee.

17/11

For Secretary to Government,
L.S.G. Department.

To

The Municipal Commissioner, Mysore City Municipality thro' the President.
* Accountant General-Mysore, Bangalore. | through the Financil
* Controller, State Accounts Department | Department.
* Manager, Bank of Mysore, Ltd., Bangalore.

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kmr-10/17.12.1951

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

READ:-

Correspondence ending with letter No.C2 P.R 37/51-52 dated 27th September 1951 from the Municipal Commissioner, Mysore City Municipality forwarding proposals for obtaining financial accommodation for the Mysore City Municipality to the extent of Rupees five lakhs on an overdraft basis from the Bank of Mysore to enable the financing of certain urgent works which the Municipal Council proposes to undertake as resolve by the Municipal Council at its meeting held on 22nd June 1951.

ORDER NO.L 6852-58/C4.76-51-2

Dated, Bangalore, the 17th November 1951

The Mysore City Municipal Council has under consideration an elaborate programme of tarring the roads in the city in order to minimise the expenditure on their maintenance and on special repairs several times during the year during festivities and functions. Provision that can be made in the budget of the Municipality for the purpose from normal revenues cannot be substantial. The question of securing financial accommodation from the Bank of Mysore, Ltd , on an overdraft basis, at a reasonable rate of interest payable only on the actual debit balances which would make funds available for a programme of work that can be planned ahead on a long range basis was mooted. The Municipal Comissioner reports that such financial accommodation can be arranged by the Mysore Bank, subject to the approval of Directors if Government guarantee the repayment of the loan.

The Mysore City Municipal Council which considered the subject at its meeting held on 22nd June 1951 has resolved to the following effect:-

i) that the Bank of Mysore be requested to give financial accommodation to the Mysore City Municipal Council to the extent of Rupees Five lakhs for a period of ten years on an overdraft basis at a rate of interest not exceeding 3½% payable on the actual debit balance;

ii) that the Government of Mysore be requested to guarantee the re-payment of the principal and payment of interest without charging any

urging of any commission or fee for the guarantee.

iii) that the overdraft loan be used mainly for financing a scheme of tarring roads in the city, and may also be used for reverue yielding scheme; which the council might decide to finance from this source; and

iv) that provision be made in the budget every year to the extent of not less than Rupees one lakh for repayment of principal and payment of interest on account of this loan;

The proposals of the Municipal Council is sanctioned.

Government stand guarantee for the repayment of the principal and payment of interest in respect of this overdraft arrangement subject to the condition that a commission at 1/2% (half percent) per annum on the total amount guaranteed Viz. Rupees five lakhs will be charged as a special case for the guarantee.

For Secretary to Government,
L.S.G. Department.

To

The Municipal Commissioner, Mysore City Municipality thro' the President.
* Accountant General-Mysore, Bangalore. } through the Financial
* Controller, State Accounts Department } Department.
* Manager, Bank of Mysore, Ltd., Bangalore.

/kmr-10/17.12.1951

G R S App F G 3]

GENERAL AND REVENUE SECRETARIAT

~~(Continuation sheet draft form)~~

2 copies

No L 8856 /C M-765

To

The Municipal Commr
Mysore City Municipality
(Municipal Office Bangalore)

Subject Obtaining financial accommodation for the Mysore City Municipality, Mysore to the extent of Rs 5 lakhs on an overdraft basis from the Bank of Mysore, Ltd

—

Sir,

With reference to the correspondence ending with your letter No C P & 37/51 52 dated 24 9 51 on the above subject, I am directed to state that Govt sanction the proposal has separately issued to day vide No L 8856-57 dt 17-XI-57

The provision for repayment of the money to be obtained from the Bank on an overdraft basis should be the first charge on the municipal

WD010855—GPB—25 000—18 7 56

news the Budget of
the municipality should be
so framed that it should
rely on its resources alone
Even the usual Govt grant may
be uncertain in the coming
years Hence the municipality
should cut down its expenditure
and increase its revenue by
all the means in its power

Yours faithfully

DCh/17/XI
L S G Secy

17/11 aag 17/11/51

Memo L 8 3 54 / dated 17/XI/57
Copy to the Commissioner, S A D for
information

B O

DCh/17/XI
for L S G Secy
hag 17/11/51

GOVERNMENT OF MYSORE

No L 8856/C M 76-51-3

General and Revenue Secretariat
Dated Bangalore 17th November 19

From

The Secretary to the Government of Mysore
Local Self Government Department
Bangalore

To

The Municipal Commissioner,
Mysore City Municipality,
Mysore,
(through the President)

Sir

Subject - Obtaining financial accommodation for the City Municipality, Mysore, to the extent of Rs 5,00,000/- on an overdraft basis from the Bank of Mysore, Ltd.

With reference to the correspondence ending with your letter No C2 P R 37/51-52 dated the 27th September 1951, on the above subject, I am directed to state that the Government Order sanctioning the proposal has separately issued today in No L 8852-57/C M 76-51-2 dated 17th November 1951

The provision for repayment of the money to be obtained from the Bank on an overdraft basis should be the first charge on the Municipal revenues The budget of the Municipality should be so framed that it should rely on its resources alone Even the usual Government grant may be uncertain in the coming years Hence the Municipality should cut down the expenditure and increase its revenue by all the means in its power

Yours faithfully,
Sd K Balasubramanian,

Secretary to Government,
L S G Department

Memo No L 8857

Copy of the above is forwarded to the Controller, State Accounts Department, Bangalore, for information

For Secretary to Government
L S G Department

LIS 3 17/11
Copied 18/3/53

GOVERNMENT OF MYSORE

General and Revenue Secretariat

No L 8856/C M 76-51-3 *Dated Bangalore* 17th November 1951

From

The Secretary to the Government of Mysore
Local Self Government Department
Bangalore

To

The Municipal Commissioner,
Mysore City Municipality,
Mysore,
(through the President)

Sir

Subject - Obtaining financial accommodation for the City Municipality, Mysore, to the extent of Rs 5,00,000/- on an overdraft basis from the Bank of Mysore, Ltd

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With reference to the correspondence ending with your letter No C2 P R 37/51-52 dated the 27th September 1951, on the above subject, I am directed to state that the Government Order sanctioning the proposal has separately issued today in No L 8852-56/C M 76-51-2 dated 17th November 1951

The provision for repayment of the money to be obtained from the Bank on an overdraft basis should be the first charge on the Municipal revenues The budget of the Municipality should be so framed that it should rely on its resources alone Even the usual Government grant may be uncertain in the coming years Hence the Municipality should cut down the expenditure and increase its revenue by all the means in its power

Yours faithfully,

for Secretary to Government,
L S G Department

LMS 3 17/11